

## **House Committee on Ways and Means**

Minutes of Meeting  
2016 Second Extraordinary Session  
June 8, 2016

### **I. CALL TO ORDER**

Representative Neil C. Abramson, Chairman of the House Committee on Ways and Means, called the meeting to order at 10:56 a.m. in Room 6, in the State Capitol in Baton Rouge, Louisiana. The secretary called the roll.

### **II. ROLL CALL**

#### **MEMBERS PRESENT:**

Representative Neil C. Abramson, Chairman  
Representative Joseph Bouie, Jr.  
Representative Chris Broadwater  
Representative Paula P. Davis  
Representative Phillip R. DeVillier  
Representative Stephen C. Dwight  
Representative Jimmy Harris  
Representative Stephanie Hilferty  
Representative Dodie Horton  
Representative Marcus L. Hunter  
Representative Mike Huval  
Representative Barry Ivey  
Representative Edward C. "Ted" James, II  
Representative Robert A. Johnson  
Representative John C. "Jay" Morris, III  
Representative James H. "Jim" Morris  
Representative Julie Stokes  
Representative Major Thibaut  
Representative Thomas P. Willmott

#### **MEMBERS ABSENT:**

None

#### **STAFF MEMBERS PRESENT:**

Ms. Alison Pryor, Deputy Director

Ms. Elise C. Read, Legislative Analyst  
Ms. Gay Owens, Secretary  
Ms. Penny B. Bouquet, Administrative Secretary

**ADDITIONAL ATTENDEES PRESENT:**

Ms. Janet Anthony, Sergeant at Arms  
Ms. Myrtis Jarrell, Sergeant at Arms  
Mr. M.J. Hernandez, Clerk  
Mr. Josh Becnel, Page  
Mr. Cole Howell, Page

**III. DISCUSSION OF LEGISLATION**

Dr. Rebekah Gee, Secretary, and Mr. W. Jeff Reynolds, Undersecretary, Department of Health and Hospitals (DHH), 628 North Fourth Street, Baton Rouge, LA 70802, (225)342-6725, addressed the committee regarding the cost of expanding the Medicaid Program.

The meeting stood at ease at 11:09 a.m. and reconvened at 11:23 a.m.

**House Bill No. 47 by Representative Broadwater**

Representative Broadwater presented House Bill No. 47, which provided with respect to the net operating loss deduction for corporate income tax.

There was no further discussion on the bill.

Representative Broadwater offered a motion to report House Bill No. 47 favorably. Without objection, House Bill No. 47 was reported favorably by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 47 is available upon request.

**House Bill No. 46 by Representative Foil**

Representative Foil presented House Bill No. 46, which provided with respect to the tax credit for solar energy systems.

There was no further discussion on the bill.

Representative Abramson offered a motion to voluntarily defer action on House Bill No. 46. Without objection, action on House Bill No. 46 was voluntarily deferred by a vote of 17 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, Davis, DeVillier, Dwight, Jimmy Harris, Hilferty, Horton, Huval, Ivey, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

### **House Bill No. 27 by Representative Broadwater**

Representative Broadwater presented House Bill No. 27, which provided for the non-taxability of sales or use of raw materials purchased for further processing.

There was no further discussion on the bill.

Representative Broadwater offered a motion to report House Bill No. 27 with amendments, to which Representative Jim Morris objected. House Bill No. 27 was reported with amendments by a vote of 9 yeas and 5 nays. Representatives Bouie, Broadwater, DeVillier, Dwight, Jimmy Harris, James, Robert Johnson, Jay Morris, and Thibaut voted yea. Representatives Horton, Huval, Ivey, Jim Morris, and Willmott voted nay.

Present to speak in opposition were Mr. Robert Schromm, and Mr. Chris DiCharry, Louisiana Chemical Association, One American Place, Suite 2040, Baton Rouge, LA 70825, (225) 376-7652, and Mr. George H. Guidry, Jr., Koch Companies Public Sector, LLC, 450 Laurel Street, Suite 1420, Baton Rouge, LA 70801, (225) 388-9061.

Present to provide information was Secretary Kimberly L. Robinson, Department of Revenue (DOR), 617 North Third Street, Baton Rouge, LA 70802, (855) 307-3893, and Mr. Drew Talbot, Rainer, Anding & Talbot, 8480 Bluebonnet Boulevard, Suite D, Baton Rouge, LA 70810, (225) 621-2635.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 27 is available upon request.

### **House Bill No. 31 by Representative Jackson**

Representative Jackson presented House Bill No. 31, which reduced the amount of certain income and corporation franchise tax credits.

There was no further discussion on the bill.

Representative Abramson offered a motion to voluntarily defer action on House Bill No. 31. Without objection, action on House Bill No. 31 was voluntarily deferred by a vote of 15 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, DeVillier, Dwight, Jimmy Harris, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Thibaut, and Willmott voted yea.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 31 is available upon request.

#### **House Bill No. 34 by Representative Jackson**

Representative Jackson presented House Bill No. 34, which reduced the amount of certain corporate income tax exclusions and deductions.

There was no further discussion on the bill.

Representative Abramson offered a motion to voluntarily defer action on House Bill No. 34. Without objection, action on House Bill No. 34 was voluntarily deferred by a vote of 15 yeas and 0 nays. Representatives Abramson, Bouie, Broadwater, DeVillier, Dwight, Jimmy Harris, Horton, Huval, Ivey, James, Robert Johnson, Jay Morris, Jim Morris, Thibaut, and Willmott voted yea.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 34 is available upon request.

#### **House Bill No. 11 by Representative Shadoin**

Representative Shadoin presented House Bill No. 11, which reduced the amount of the individual income tax deduction for excess federal itemized personal deductions.

Representative Stokes offered a set of amendments to add a contingency based upon enactment of certain bills from the 2016 Second Extraordinary Session. She also offered a motion to adopt the amendments, to which Representative Jay Morris objected. The amendments were adopted by a vote of 11 yeas and 7 nays. Representatives Bouie, Broadwater, Dwight, Jimmy Harris, Hunter, Ivey, James, Robert Johnson, Stokes, Thibaut, and Willmott voted yea. Representatives Davis, DeVillier, Hilferty, Horton, Huval, Jay Morris, and Jim Morris voted nay.

There was no further discussion on the bill.

Representative Robert Johnson offered a motion to report House Bill No. 11 without action, to which Representative DeVillier objected. The motion was withdrawn before a vote was taken.

Representative DeVillier offered a motion to involuntarily defer action on House Bill No. 11, to which Representative James objected. House Bill No. 11 was involuntarily deferred by a vote of 10 yeas and 9 nays. Representatives Abramson, Davis, DeVillier, Hilferty, Horton, Huval, Ivey, Jay Morris, Jim Morris, and Willmott voted yea. Representatives Bouie, Broadwater, Dwight, Jimmy Harris, Hunter, James, Robert Johnson, Stokes, and Thibaut voted nay.

Present to speak in support were Mr. Michael Ranatza, LA Sheriff's Association, 1175 Nicholson Drive, Baton Rouge, LA 70802, (225) 343-8402; Ms. Ashley McReynolds, 1862 Tudor Drive, Baton Rouge, LA 70815, (225) 715-5740; Ms. Brandi Melissa, P.O. Box 1121, Baton Rouge, LA 70821, no telephone number provided; Mr. Scott M. Richard, LA School Boards Association, 7912 Summa Avenue, Baton Rouge, LA 70809, (337) 278-5398; and Representative Malinda White.

Present to speak in opposition were Mr. Ross Little, Jr., Republican National Convention, 101 Ruthwood Drive, Lafayette, LA, (337) 981-1749, and Ms. Dawn Starns, State Director of the National Federation of Independent Business (NFIB), 530 Lakeland Drive, Suite 201, Baton Rouge, LA 70802, (225) 218-6847.

Present to provide information were Secretary Robinson, DOR; Dr. F. King Alexander, President of the Louisiana State University System (LSU), 3810 West Lakeshore Drive, Baton Rouge, LA 70808, (225) 578-2111; Dr. Monty Sullivan, President of the Louisiana Community and Technical College System, 265 South Foster Drive, Baton Rouge, LA 70806, (225) 992-2800; Dr. John Nicklow, President of the University of New Orleans, 2000 Lakeshore Drive, New Orleans, LA 70148, (618) 283-2368; Dr. Ray L. Belton, President of the Southern University System, P.O. Box 9374, Baton Rouge, LA 70813, (225) 771-5020; Dr. Dan D. Reneau, Jr., Interim President of the University of Louisiana System, 1201 North Third Street, 7-300, Baton Rouge, LA 70802, (225) 342-6950; Mr. Richard Lipsey, Chairman, and Mr. Marty Chabert, Board Member, Board of Regents, P.O. Box 83280, Baton Rouge, LA 70884, (225) 755-1333; and Dr. Joseph C. Rallo, Commissioner of Higher Education, 1201 North Third Street, Suite 6-200, Baton Rouge, LA 70802, (225) 342-4253.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 11 is available upon request.

### **House Bill No. 7 by Representative Stokes**

Representative Stokes presented House Bill No. 7, a Constitutional Amendment to eliminate the income tax deduction for federal income taxes paid for purposes of computing individual income taxes and the references to the maximum amount of individual income tax rates and brackets.

Representative Stokes offered a set of amendments to add a contingency based upon enactment of certain bills from the 2016 Second Extraordinary Session, and also offered a motion to adopt the amendments. Without objection, the amendments were adopted by a vote of 10 yeas and 0 nays.

Representatives Broadwater, Davis, DeVillier, Horton, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, and Willmott voted yea.

There was no further discussion on the bill.

Representative Stokes offered a motion to report House Bill No. 7 with amendments, to which Representative Jay Morris objected. House Bill No. 7 was reported with amendments by a vote of 9 yeas and 4 nays. Representatives Broadwater, Davis, DeVillier, Horton, James, Robert Johnson, Stokes, Thibaut, and Willmott voted yea. Representatives Hilferty, Huval, Jay Morris, and Jim Morris voted nay.

Present to provide information was Mr. Scott Drenkard, Tax Foundation, 1325 G Street, NW, Suite 950, Washington, DC 20003, (703) 727-9339.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 7 is available upon request.

#### **House Bill No. 17 by Representative Stokes**

Representative Stokes presented House Bill No. 17, which changed the rates and brackets for purposes of calculating individual income tax liability and eliminates certain deductions.

Representative Stokes offered a set of amendments to add a contingency based upon enactment of certain bills from the 2016 Second Extraordinary Session, and offered a motion to adopt the amendments. Without objection, the amendments were adopted by a vote of 12 yeas and 0 nays. Representatives Abramson, Davis, DeVillier, Hilferty, Horton, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

Representative Stokes offered a set of amendments to change the individual income tax rate, and also offered a motion to adopt the proposed amendments. Without objection, the amendments were adopted by a vote of 12 yeas and 0 nays. Representatives Abramson, Davis, DeVillier, Hilferty, Horton, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

There was no further discussion on the bill.

Representative Stokes offered a motion to report House Bill No. 17 with amendments. Without objection, House Bill No. 17 was reported with amendments by a vote of 12 yeas and 0 nays. Representatives Abramson, Davis, DeVillier, Hilferty, Horton, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

A handout was distributed, but not discussed. (See Exhibit A)

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 17 is available upon request.

### **House Bill No. 33 by Representative Stokes**

Representative Stokes presented House Bill No. 33, which repealed the state income tax deduction for federal income taxes paid for purposes of calculating individual and corporate income taxes.

Representative Stokes offered a set of amendments to add a contingency based upon enactment of certain bills from the 2016 Second Extraordinary Session. She also offered a motion to adopt the amendments. Without objection, the amendments were adopted by a vote of 12 yeas and 0 nays. Representatives Abramson, Davis, DeVillier, Hilferty, Horton, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

Representative Stokes offered a set of amendments to change the individual income tax rate, and also offered a motion to adopt the amendments. Without objection, the amendments were adopted by a vote of 12 yeas and 0 nays. Representatives Abramson, Davis, DeVillier, Hilferty, Horton, Huval, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

There was no further discussion on the bill.

Representative Stokes offered a motion to report House Bill No. 33 with amendments. Without objection, House Bill No. 33 was reported with amendments by a vote of 13 yeas and 0 nays. Representatives Abramson, Davis, DeVillier, Hilferty, Horton, Huval, Ivey, Robert Johnson, Jay Morris, Jim Morris, Stokes, Thibaut, and Willmott voted yea.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 33 is available upon request.

### **House Bill No. 20 by Representative Reynolds**

Secretary Robinson presented House Bill No. 20 for Representative Reynolds, which provided relative to the apportionment ratio for purposes of computing corporate income tax and provides for the sourcing of sales.

There was no further discussion on the bill.

Representative Robert Johnson offered a motion to report House Bill No. 20 favorably, to which Representative Horton objected. House Bill No. 20 was reported favorably by a vote of 10 yeas and 6 nays. Representatives Bouie, Jimmy Harris, Hilferty, Hunter, Huval, James, Robert Johnson, Jay Morris, Stokes, and Thibaut voted yea. Representatives Davis, DeVillier, Horton, Ivey, Jim Morris, and Willmott voted nay.

Present to speak in opposition was Mr. Jeff Copskey, Exxon Mobil, 4045 Scenic Highway, Baton Rouge, LA 70805, (225) 977-1158.

Present to provide information was Mr. Kevin Richard, Deputy Secretary, DOR, 617 North Third Street, Baton Rouge, LA 70802, (855) 307-3893, and Mr. Jason DeCuir, Ryan, LLC, 301 Main Street, Baton Rouge, LA 70801, (225) 334-0040.

A copy of the witness cards for all individuals (who were present, but did not testify) in support of, in opposition to, and to provide information on House Bill No. 20 is available upon request.

**IV. OTHER BUSINESS**

There was no other business.

**V. ANNOUNCEMENTS**

There were no announcements.

**VI. ADJOURNMENT**

The meeting was adjourned at 5:41 p.m.

Respectfully submitted,

Chairman Neil C. Abramson  
House Committee on Ways and Means